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THRU : Chief, D/S  
Chief, S/TF

3 September 1957

Requirements for Production Export in Industry with Entre to Yugoslav  
Industrial Development Information

1. Recent protocols signed in Moscow set construction dates for various projects to be financed under the \$110 million investment credit extended by the USSR to Yugoslavia in January 1956. Construction of 2 fertiliser plants, a thermal-power plant and reconstruction and expansion of 3 mines is to be completed between 1958 and 1964. Continuing information of the status of these projects is required. Are Soviet technicians and/or supervisors scheduled to be sent to Yugoslavia to implement these projects? Our information indicates that some \$70 million of the \$110 million credit is to be utilized for the construction of the above mentioned projects. Is there information on how much of this amount will be allocated for each project?

2. These recent protocols also set construction dates for the aluminum combine, which is to be constructed by the USSR and East Germany under a joint \$175 million credit extended to Yugoslavia last August 1956. Reportedly preliminary construction is to begin in 1958 and major construction will start in 1960. The entire combine is to be completed in 1964. Continuing information on the status of this project is required. What part of this credit is to be provided by East Germany? Will East Germany and the USSR send technicians to Yugoslavia to work on this project? What is meant by preliminary construction?

3. What is the status of the Danube River Development project at the Iron Gates, which is to be undertaken by Rumania and Yugoslavia? What role will each play in this project? Is it likely that other Satellite countries (Hungary, Czechoslovakia and Bulgaria) will be involved in this project?

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